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BIWEEKLY REPORT

SINO-SOVIET BLOC ECONOMIC ACTIVITIES IN UNDERDEVELOPED AREAS

EIC-WGR-1/77

19 January 1959

PREPARED BY THE WORKING GROUP
ON SINO-SOVIET BLOC ECONOMIC ACTIVITIES
IN UNDERDEVELOPED AREAS

ECONOMIC INTELLIGENCE COMMITTEE

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These biweekly reports on "Sino-Soviet Bloc Economic Activities in Underdeveloped Areas" are prepared and issued by a Working Group of the Economic Intelligence Committee, including representatives of the Departments of State, the Army, the Navy, the Air Force, Commerce, and Agriculture; the International Cooperation Administration; the Office of the Secretary of Defense; and the Central Intelligence Agency. Their purpose is to provide up-to-date factual information on significant developments in the economic relations of Sino-Soviet Bloc countries with underdeveloped countries of the Free World. The EIC-R-14 series of reports, under the same title, provide periodic summaries and analytical interpretations of these developments.

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Summary of Events
2 - 15 January 1959

The USSR agreed on 5 January to extend grant aid to Afghanistan in the form of additional Soviet training for Afghan military personnel, the introduction of jet aircraft passenger service from Moscow to Kabul, and the improvement of river port facilities at Qizil Qala. The agreement also includes reduced fares to Afghans traveling to the USSR for medical treatment and provides for a gift of 3,000 metric tons of Soviet wheat seed.

On 3 January, Indonesia and the USSR signed a protocol, under the \$100-million Soviet line of credit, which provides for the construction of 2 small steel plants, a phosphate fertilizer factory, and about 400 miles of roads as well as for the establishment of 2 mechanized rice farms of 25,000 acres each.

Cambodia has called for competitive bids for the transportation of construction material and equipment to the site of three manufacturing plants to be constructed under the Chinese Communist aid program.

Since the Iraqi coup d'état on 14 July 1958, numerous Bloc economic missions have visited the country, and trade and payments agreements with all important Bloc countries except Bulgaria have been concluded. These agreements, several of which were signed in the first 2 weeks of 1959, generally provide for a larger flow of trade, involving the export of Iraqi agricultural commodities in exchange for Bloc capital equipment and other manufactured goods.

The Soviet civil airline Aeroflot recently inaugurated a twice-weekly service between Moscow and Cairo. The jet-propelled Tu-104 will be used on the route.

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